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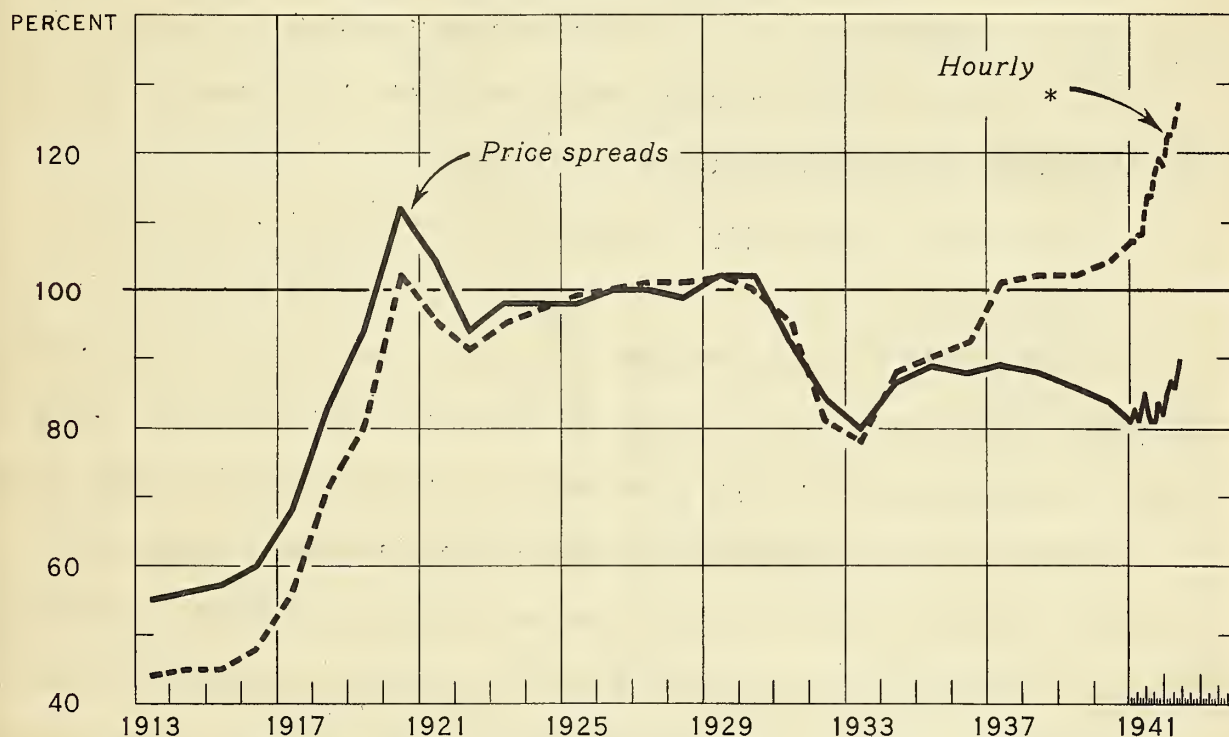
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AUGUST 1942

FARM-RETAIL PRICE SPREADS OF 58 FOODS COMBINED, AND HOURLY EARNINGS OF NONAGRICULTURAL WORKERS, UNITED STATES, 1913-42

INDEX NUMBERS (1926=100)



* DATA FROM BUREAU OF LABOR STATISTICS. BEGINNING 1935, ESTIMATED FROM HOURLY EARNINGS IN SELECTED INDUSTRIES

U. S. DEPARTMENT OF AGRICULTURE

NEG. 31094 BUREAU OF AGRICULTURAL ECONOMICS

LABOR COSTS ARE AN IMPORTANT ELEMENT IN MARKETING CHARGES. A PERSISTENT INCREASE IN WAGE RATES EVENTUALLY LEADS TO AN INCREASE IN THE COST OF MARKETING. THE RAPID RISE IN HOURLY EARNINGS WHICH ACCOMPANIED THE EXPANSION OF THE WAR PROGRAM AFTER 1940 HAS CONTRIBUTED TO THE RECENT RISE IN MARKETING CHARGES AS EXPRESSED BY THE INDEX OF THE FARM-RETAIL PRICE SPREADS FOR 58 FOODS.

THE DOWNWARD TREND OF MARKETING CHARGES BETWEEN 1935 AND 1940 DESPITE INCREASING WAGE RATES MAY HAVE RESULTED FROM DECREASED QUANTITIES OF MARKETING SERVICES AS WELL AS INCREASED LABOR EFFICIENCY IN MARKETING.

SUMMARY

Retail prices of 58 farm food products rose less than 1 percent from mid-June to mid-July, while payments to farmers for equivalent products rose more than 2 percent. The farmers' share of the consumers' food dollar was 52 cents in July rising from 51 cents in June. For eleven consecutive months the farmers' share has been 50 cents or more. Farm-retail price spreads rose appreciably from June to July for eggs, oranges, sweet potatoes, lamb, and rolled oats. Food marketing charges in general were about 8 percent higher this July than last, but due to the sharp rise in level of food prices marketing charges are absorbing a smaller share of the consumer's food dollar this year than last.

Mill margins on standard cotton textile products, representing charges for spinning and weaving per pound of lint cotton, continue at record high levels although dropping from 22.1 cents in June to 21.2 cents in July. For the week ending August 14 the margin was 22.3 cents. From June to July, wholesale prices of cotton cloth dropped slightly while wholesale market prices of comparable qualities of lint cotton rose about 3 percent. Retail prices of clothing and wholesale prices of all textile products did not rise from June to July but prices paid farmers for all textile fibers rose about 1 percent, and marketing margins narrowed slightly.

Price trends in primary wholesale markets from mid-July to mid-August showed increases of 2 percent for foods and 1 percent for unprocessed farm products, a slight decline for textile products, and no change for hides and leather products.

Several important actions relating to transportation have been taken recently by various war agencies. The War Shipping Administration in early August began to subsidize war risk insurance rates on imports into

the United States and on exports to territories and possessions. Sharp increases in these rates had so increased the cost of importing commodities that the effectiveness of the price control program was threatened. In order to utilize the railroad system more effectively the Office of Defense Transportation ordered railroads beginning September 15 to refuse transportation to civilian freight unless cars are loaded to maximum capacity. In addition, the Office of Defense Transportation took steps to facilitate export traffic and reduce congestion at ports. Goods which are to be exported within four months may be stored at some intermediate point; yet rail charges will be made on the basis of the through rate.

Available data indicate that long-distance trucking plays an important part in the transportation of certain farm products to principal markets of the Nation. Curtailment of this service without provision of a substitute might create problems for the farmer and the public.

August 27, 1942

FARM-RETAIL PRICE SPREADS

Food Prices Continue to Rise

Retail costs of all foods rose 1.1 percent from mid-June to mid-July. Prices of foods excluded from the provisions of the General Maximum Price Regulation rose 2.5 percent while prices of foods subject to control rose 0.3 percent. Fresh fruits and vegetables and eggs and butter showed seasonal advances in price.

The cost to consumers of the 58 important foods in quantities representing annual consumption by a working-man's family rose to \$401 in July 1942, an advance of less than 1 percent over the June cost. Payments to farmers for equivalent quantities of farm products rose more than 2 percent, from \$204 in June to \$209 in July. Thus, the marketing margin declined 1 percent, from \$194 in June to \$192 in July.

Charges for marketing foods through seven months of 1942 have been running considerably higher than the 1941 level and in July were 8 percent above 1941. But the marketing margin in July barely exceeded the 1935-39 pre-war average of \$191, while in comparison to pre-war levels the retail cost of 58 foods to consumers was up 21 percent and payments to farmers were up 48 percent. Consequently, the marketing margin as a percentage of

retail food prices is smaller than last year while the actual charges are higher. Retail food prices are about 3 percent below the 1929 level but farmers are receiving 7 percent more for the 58 foods than in 1929.

The farmer's share of the consumer's food dollar rose to 52 cents in July from 51 cents in June. July was the eleventh consecutive month in which the farmer's share has been 50 cents or more.

Family Income Keeps Pace With Food Cost

The cost of the basket of all foods to American consumers amounted to 22 percent of family income while the cost of the 58 foods produced on American farms amounted to 17 percent of family income for each of the three months May, June, and July 1942. These percentages were the same as for the year 1941. The average for 1935-39 was 27 percent of income representing the cost of all foods and 22 percent, the cost of 58 domestic foods. Cost of food as a percentage of family income is thus smaller at present than before the war, since incomes have risen more than prices.

A special survey of city family and individual incomes for 1941 and the first quarter of 1942 was reported by the United States Bureau of Labor Statistics in late July. The results of this survey show that the proportion of income saved increased by more than half from 1941 to early 1942. Total expenditures for all foods amounted to 24.8 percent of income in 1941, dropping to 23.0 percent for the first three months of 1942. During the first quarter of 1942 the average income of families of 2 or more persons amounted to \$2,217. Clothing costs accounted for 9.3 percent of income in 1941 and 3.5 percent of income in the first quarter of 1942.

Price Spreads For Meat Products With By-product Allowances

New estimates, allowing for values of minor products and by-products at the wholesale level have been prepared to show the farmer's share of the consumer's dollar spent for meat products. On this basis the marketing margin per retail composite pound of pork products in July 1942 was 7.6 cents contrasted with 3.1 cents as calculated on the old basis which neglected values of by-products and minor products. In July, the farmer's share of the consumer's dollar spent for pork products was 74 cents, after allowing for by-product value, whereas the figure appears to be 89 cents if by-products are disregarded.

For lamb products the difference in estimates is even more pronounced. For June the margin per composite retail pound of carcass cuts was 14.9 cents on the revised basis compared with 6.2 cents when by-products were neglected. The revised farmer's share was 57 cents of the consumer's dollar contrasted to 75 cents as previously estimated.

Revisions of marketing margins for beef cattle required allowances for hide and by-products and offsetting upward adjustments of price at the farm level to represent prices received by farmers for beef cattle of good grade. These adjustments raised the actual marketing margins in cents per pound about one-third and reduced the estimated farmer's share of the consumer's dollar in recent months by about 11 cents.

On the revised basis, after allowing for the value of by-products and minor products, current levels of marketing margins on livestock do not appear as low in relation to levels for recent years and 1935-39 as the unrevised margins have indicated. The pork margin is down about one-third from the pre-war average while the beef margin is only slightly below the 1935-39 average. The margin on lamb carcass products is near the levels for the three years 1939, 1940, and 1941. The farmer's share of the consumer's meat dollar has risen principally because of higher prices, with reduction of marketing margins important only to a small degree.

Marketing Charges Rise for Several Food Products

The average farm-retail price spread for eggs rose from 15.0 cents in June to 16.6 cents in July. while the retail egg price rose from 42.4 cents to 46.1 cents and the price paid farmers rose from 27.4 cents to 29.5 cents. Marketing margins for rolled oats rose 5 percent from June to 6.3 cents in July. The farm-retail price spread for sweet potatoes advanced from 3.9 cents in June to 5.2 cents in July. Marketing margins for oranges rose 10 percent from June to July, associated with a decline in payments to farmer per dozen oranges from 12.9 cents to 10.8 cents while the retail price rose by 1 percent.

For July 1942 marketing charges for most foods were higher than for July 1941, the largest increase reaching to 51 percent for peanut butter.

Margins of Cottonseed Crushing Mills Higher in July

Calculated on the basis of payments to farmers through earlier months for seed, the spread between the price paid to farmers and the mills sales value of cottonseed products in July 1942 was \$17.75. Total mills sales value of crude oil, cake and meal, and hulls and linters was \$64.15 per ton of cottonseed. Comparable payments to farmers amounted to \$46.40. July is a month of light crushing and the margin probably will decline as the 1942 season gets under way.

Table I. - Average value of cottonseed products, per ton of seed crushed, percentage of value attributed to each of the four products, farm value of cottonseed, and margin between farm price and product values for specified years and months

Year beginning August	: Value :	:	:	: Farm	:Percentage of product value				
	: of :	:Farm	:	:price as :	: attributed to -				
	:products:	:price	:Actual:	:percent-	:	:	:	:	:
	:per ton	:per	:margin:	:age of	: Crude	: Cake	:	:	:
	:of seed	:ton	:	:product	: oil	: and	: Hulls	:Linters	
	: 1/	: 2/	:	: value	::	: meal	:	:	
	:Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	
1935-39 average	: 40.21	25.29	14.92	62.9	55.4	29.2	4.6	10.8	
1940.....	: 37.80	21.72	16.08	57.5	46.6	31.6	5.3	16.5	
1941 3/	: 62.50	47.00	15.50	75.2	58.6	25.7	2.8	12.9	
1941 -	:								
July	: 56.81	23.96	32.85	42.2	59.9	24.4	3.1	12.6	
Sept.....	: 64.17	43.90	20.27	68.4	57.5	27.4	3.0	12.1	
Nov.	: 60.40	47.58	12.82	78.8	56.9	26.9	2.9	13.3	
1942 -	:								
Jan.	: 65.55	48.57	16.98	74.1	58.1	26.9	2.7	12.3	
Mar.	: 64.41	48.60	15.81	75.5	59.3	25.4	2.7	12.6	
May	: 63.36	47.49	15.87	75.0	60.6	23.9	2.6	12.9	
July	: 64.15	46.40	17.75	72.3	60.1	24.4	2.9	12.6	

1/ Mill product values on the basis of values reported for each season by the U.S. Bureau of the Census, interpolated and extrapolated by monthly wholesale market prices of the products.

2/ The monthly farm price is a weighted average of monthly prices received by farmers including several earlier months of farm sale to represent actual payment to farmers for seed crushed during each month.

3/ Preliminary estimates.

Cotton Mill Margins Decline from June to July

In July the spread between cost of certain qualities of lint cotton in wholesale markets and the mills sales value of grey cloth processed from this cotton was 21.2 cents per pound of lint. Although this represented a decline of 0.9 cents from June, both the June and the July margins were the highest on record since 1925. Mill sales value of cloth dropped from 41.0 cents in June to 40.7 cents in July. Price of cotton in wholesale markets rose from 18.9 cents to 19.5 cents during the same period. In July 1942 the sales value of grey cloth was 15.5 cents above the pre-war 1934-39 average. Of this increase 8.5 cents represented higher charges by mills for spinning and weaving while 7.0 cents was passed back to sellers of lint cotton. Mill margins rose to 22.3 cents for the week ending August 14 with no rise in sales value of cloth.

Wage Rates Lag in Marketing Enterprises

From January 1941 to June 1942 hourly earnings of all nonagricultural wage workers advanced 18 percent. During the same period the city cost of living rose about 16 percent. In marketing enterprises the increase in hourly earnings from January 1941 to June 1942 amounted to 11 percent in Class I steam railways, 15 percent in food processing, 12 percent in wholesaling and retailing, 12 percent in all food marketing and 26 percent in cotton processing. Wage rates are an important part of marketing costs for farm products, and each rise in wages tends toward reducing the farmers' share of the consumers' dollar spent for foods.

RECENT DEVELOPMENTS IN TRANSPORTATION

Ocean Freight Rates

Since the enactment of the Ship Warrant Act in July 1941, increases in freight rates have been determined by increased costs due to wartime operations, except in certain instances where rates were unduly low. War risk insurance rates comprise one of the major items affecting such costs and since a much larger number of vessels have been destroyed in 1942 than during a comparable period in 1940 and 1941, these rates have been raised very sharply. As a consequence, war risk insurance rates have been an important factor in increasing the costs of importing commodities into the United States and in threatening the effectiveness of the price control policy of the Office of Price Administration.

To counteract this undesirable price situation the War Shipping Administration at the request of the Office of Price Administration decided on August 6, 1942 to subsidize war risk insurance rates on imports into the United States and on United States exports to its territories and possessions. Shipments entering the United States for re-export are excluded from application. The new rates are designed to approximate those in effect as of January 1, 1942, which did not reflect the increased shipping losses incurred subsequent to that date.

The new schedule became effective on all shipments covered by bills of lading dated or subsequent to August 1, 1942. However, shipments which previously had been insured by the War Shipping Administration and which actually had been shipped on or after that date are entitled to a return of the excess premiums. Costs of war risk insurance are greatly reduced on all shipments stated above and especially for those moving over United States Atlantic, Gulf of Mexico, and West Indian routes. At present, these rates are temporary. They will be revised either upward or downward after the Office of Price Administration has made a study of their effect upon prices.

Other steps have been taken to minimize the effects of higher ocean rates on prices. Bituminous coal shipments from Hampton Roads to New York and New England ports have been set at levels which represent only a part of the actual cost to the Government. The War Shipping Administration has also assumed all costs of moving crude petroleum and petroleum products by water into the United States and between coastal and tidewater points in the United States which exceed the basic maximum charter rates established by the Maritime Commission on January 20, 1941, or which were in effect on that date.

The Commodity Credit Corporation has agreed to reduce the cost of importing coffee into the United States. Bonafide importers are allowed to enter into agreements with this Federal agency to purchase and import certain quantities of green coffee from a limited number of foreign countries as agents of the Commodity Credit Corporation. Upon the arrival of the shipments in the United States, they are authorized to repurchase the entire amount of the coffee which they had bought for the account of the Corporation at a price which does not include increases since December 8, 1941 for ocean freight, marine and war risk insurance, and certain other expenses dealing with the movement of the commodity. Should the shipments be discharged at a United States port other than one which was used normally, the Corporation will absorb, as a maximum, 75 percent of such transportation costs.

Maximum Loading of Civilian Freight Ordered

The Office of Defense Transportation issued an order (General Order No. 18) earlier this month requiring the railroads to refuse transportation to any cars carrying civilian freight which are not loaded to maximum capacity. The order, which is to become effective on September 15, is held to be necessary for the conservation not only of cars but also of locomotives. However, tank cars, flat cars, and cars containing less-than-carload freight are exempted from the provisions of the order.

The order was accompanied by an explanatory statement by Director Joseph B. Eastman in which stress was laid upon the necessity of relieving an already tight car and locomotive supply situation. "Even now," the statement said, "railroad motive power is being used close to capacity." Mr. Eastman said that troop movements and war freight will continue to increase in volume and that the railroads must anticipate a further diversion of freight from the trucks as a result of the rubber shortage and the retirement of equipment that cannot be repaired or replaced.

The order divides freight into two classes, bulk and non-bulk. Bulk freight is defined to include those commodities which are forked, shoveled, scooped, or mechanically conveyed into the car. Non-bulk freight is defined to include commodities enclosed in containers which can be handled piece by piece or any other commodities not included in the term bulk freight. Various rules are promulgated to govern the loading of these two classes of freight. For example, the order provides that where closed cars are used for bulk freight the commodity must be loaded to within 18 inches of the car roof as measured at the sides of the car or to the marked weight limit, whichever is the lesser. In the case of cars with lined or sheathed side walls, the loading must be limited to a point where the commodity will not spill over the sheathing. The order requires full use of all possible stowage space in the loading of non-bulk freight.

The provisions of the order may be disregarded in those instances where maximum loading would create a transportation hazard or result in damage to the freight. Commodities requiring refrigeration, heating, or ventilation must not be loaded beyond the refrigerating, heating, or ventilating capacity of the car.

Long-distance Trucking of Selected Farm Products

With supplies of truck tires, replacement parts, and new equipment limited because of war conditions, farmers and the public may be adversely affected if they are deprived of long-distance motortruck service for certain farm products. Trucking of farm products over long distances has become so firmly entrenched in the Nation's economic system that diminution of this service without providing a substitute may create serious problems.

The importance of long-distance trucking upon the movement of farm products is shown in the following tables on movement of fruits, vegetables, dairy, and poultry products into selected markets.

Table II.- Fruits and vegetables: Truck receipts as a percentage of total receipts and long-distance (over 300 miles) trucking as a percentage of total truck receipts at 12 markets, 1941

Market	:	:	:	:	:
	Truck	Total	Percentage	Long-distance	
	receipts	receipts	trucked	trucking (over 300 miles)	Percentage
	:	:	to total	Amount	of total
	:	:	:	:	truck receipts
	Carlots	Carlots	Percent	Carlots	Percent
Atlanta.....	15,617	20,435	76.4	2,288	14.7
Boston.....	15,303	42,979	35.6	1,920	12.5
Chicago.....	21,348	120,775	17.7	3,302	15.5
Washington, D.C....	4,044	10,586	38.2	1,652	40.9
Kansas City.....	5,149	15,643	32.9	1,666	32.4
Los Angeles.....	72,410	84,958	85.2	3,072	4.2
New Orleans.....	5,574	11,405	48.9	885	15.9
New York City.....	75,058	176,366	42.6	12,730	17.0
Philadelphia.....	33,512	72,560	46.2	6,939	20.7
Pittsburgh.....	4,988	26,864	18.3	211	4.2
San Francisco.....	17,256	24,944	69.2	3,471	20.9
St. Louis.....	6,977	19,461	35.9	2,335	33.5
Total.....	277,236	626,976	44.2	40,471	14.6

Source - Based on data compiled from Agricultural Marketing Service, 1941 Annual Reports "Unloads of Fruits and Vegetables".

Table III.- Dairy and poultry products: Truck receipts as a percentage of total receipts and long distance (over 300 miles) trucking as a percentage of total truck receipts at 5 markets, 1941

Market	:	:	:	:	:
	Truck	Total	Percentage	Long-distance	
	receipts	receipts	trucked	trucking (over 300 miles)	Percentage
	:	:	to total	Amount	of total
	:	:	:	:	truck receipts
	Carlots	Carlots	Percent	Carlots	Percent
New York City.....	11,397	37,728	30.2	3,994	35.0
Chicago.....	17,499	28,852	60.6	3,172	18.1
Philadelphia.....	2,045	7,267	28.1	675	33.0
Boston.....	2,434	9,569	25.4	598	24.6
Los Angeles.....	3,719	6,533	71.9	1,502	40.4
Total.....	37,094	89,949	42.3	9,941	26.8

Source - Based on data compiled from Agricultural Marketing Service, 1941 Annual Reports from Four Markets "Total Receipts of Butter, Eggs, Cheese, and Dressed Poultry".

Truck receipts of fruits and vegetables at the 12 markets selected, which include the country's largest cities, averaged more than 44 percent of total receipts in 1941. Of the total amount received by truck at these markets, almost 15 percent moved 300 miles or more. For certain markets, notably Washington, D. C., Kansas City, and St. Louis, this proportion was much larger.

The importance of long-distance trucking of dairy and poultry products at 5 outstanding primary markets is substantially greater than for fruits and vegetables. Almost 27 percent of the total quantities of truck receipts of dairy and poultry products moved over distances exceeding 300 miles.

Table 1.- Annual family purchases of 58 foods 1/

Year and month	Cost at retail	Paid to farmers	Marketing margin	Farmer's share of retail value
	Dollars	Dollars	Dollars	Percent
1913-15 (average)	256	135	121	53
1920	514	272	242	53
1929	415	195	220	47
1935-39 (average)	332	141	191	42
1940	314	132	182	42
1941	342	164	178	48
1941 - July	348	170	178	49
Aug.	348	172	176	49
Sept.	357	181	176	51
Oct.	361	180	181	50
Nov.	365	182	183	50
Dec.	366	189	177	52
1942 - Jan.	378	194	184	51
Feb.	381	195	186	51
Mar.	384	196	186	51
Apr.	386	201	185	52
May	392	202	190	52
June	398	<u>2/</u> 204	<u>2/</u> 194	51
July	401	209	192	52

1/ Important food products produced by American farmers combined in quantities representing annual purchase by a typical workingman's family.

2/ Revised.

Retail price averages for 51 cities from U. S. Bureau of Labor Statistics

Table 2.- Nonfarm family income and cost of family food purchases for selected periods 1/

Year and month	Family income	Retail cost of all foods	Retail cost of 58 foods	Food cost as percentage of income
	<u>2/</u>	Dollars	Dollars	All foods : 58 foods
		Dollars	Dollars	Percent Percent
1920	1,857	688	514	37 28
1929	1,979	540	415	27 21
1933	1,105	343	264	31 24
1935-39 average	1,506	408	332	27 22
1941	1,956	430	342	22 17
1942-May	2,266	496	392	22 17
June	2,303	502	398	22 17
July	2,336	508	401	22 17

1/ For sources of material used in this table see "Farm-Retail Price Spreads, December 1941, p.5" (Note at foot of table) 2/ New series.

Table 3.- Price spreads between the farmer and the consumer - food products, July 1942

Retail commodity	Table No.	Retail		Farm equivalent		Farm	
		Unit	Price	Quantity	Value	Actual value as margin:percentage of retail price	
	1/		Cents		Cents	Cents	Percent
Pork products	11	1 lb. prin.	29.3	1.90 lb live hog	26.2	3.1	89
Dairy products	12	100 lb. milk equivalent	399.1	100 lb. milk equivalent	2/ 192.6	206.5	48
Hens	13	1 lb.	39.8	1.11 lb.	20.8	19.0	52
Eggs	14	1 doz.	46.1	1 doz.	29.5	16.6	64
White flour	15	1 lb.	5.1	1.41 lb. wheat	2.2	2.9	43
White bread	16	1 lb.	8.6	.97 lb. wheat	1.5	7.1	17
Corn meal	17	1 lb.	4.8	1.5 lb. corn	2.2	2.6	46
Rolled oats	18	1 lb.	8.7	1.78 lb. oats	2.4	6.3	28
Corn flakes	19	8-oz. pkg.	7.2	1.275 lb. corn	1.9	5.3	26
Wheat cereal	20	28-oz. pkg.	24.1	2.065 lb. wheat	3.3	20.8	14
Rice	21	1 lb.	12.2	1.51 lb. rough rice	5.7	6.5	47
Navy beans	22	1 lb.	8.9	1 lb. dry beans	4.5	4.4	51
Oranges	24	1 doz.	36.5	1/17 box	10.8	25.7	30
Potatoes	25	1 lb.	3.9	1 lb.	2.1	1.8	54
Apples	35	1 lb.	8.5	1 lb.	3.2	5.3	38
Lamb products	37	1 lb. prin.	35.3	2.16 lb. live lamb	25.5	9.8	72
Sweet potatoes	38	1 lb.	7.3	1 lb.	2.0	5.3	27
Rye bread	39	1 lb.	9.2	.39 lb. rye & .64 lb. wheat	1.4	7.8	15
Whole wh. bread	40	1 lb.	9.9	.92 lb. wheat	1.5	8.4	15
Macaroni	41	1 lb.	14.1	1.72 lb. durum wheat	2.6	11.5	18
Soda crackers	42	1 lb.	16.5	1.085 lb. wheat	1.7	14.8	10
Peanut butter	44	1 lb.	26.0	1.73 lb. peanuts	9.7	16.3	37
58 foods combined	8	Annual family consumption	\$401	Annual family consumption	\$209	\$192	52

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary
Retail prices from the United States Bureau of Labor Statistics.

Table 4 -- Price spreads between the farmer and the consumer - food products, retail price and farm value

Commodity	Retail unit	Retail price				Percentage change to				Farm value				Percentage change to			
		1935-39 average		1941-1942		1935-39 average		1941-1942		1935-39 average		1941-1942		1935-39 average		1941-1942	
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent
Pork products	1 lb. prin. pork products	25.3	25.2	29.3	29.3	+ 16	0	+ 16	0	15.7	19.6	25.4	26.2	+ 34	+ 3		
Dairy products	100 lb. milk equiv.	324.0	363.0	394.9	399.1	+ 10	+ 1	+ 10	+ 1	146.0	179.0	1/190.0	2/192.5	+ 8	+ 1		
Eggs	1 lb.	31.7	33.5	39.3	32.8	+ 19	+ 1	+ 19	+ 1	16.5	18.6	20.5	20.8	+ 12	+ 1		
	1 doz.	380.0	402.0	471.6	393.6	+ 14	+ 9	+ 14	+ 9	21.7	25.6	27.4	23.5	+ 15	+ 8		
White flour	1 lb.	4.5	4.6	5.1	5.1	+ 11	0	+ 11	0	2.0	2.0	2.2	2.2	+ 10	0		
White bread	1 lb.	8.2	7.8	8.6	8.6	+ 10	0	+ 10	0	1.3	1.4	1.5	1.5	+ 7	0		
Corn meal	1 lb.	5.0	4.3	4.7	4.6	+ 12	+ 2	+ 12	+ 2	1.8	1.9	2.2	2.2	+ 16	0		
Roller oats	1 lb.	7.4	7.1	8.6	8.7	+ 23	+ 1	+ 23	+ 1	1.9	1.8	2.6	2.4	+ 33	- 8		
Corn flakes	8-oz. pkg.	7.3	7.0	7.2	7.2	+ 3	0	+ 3	0	1.6	1.6	1.9	1.9	+ 19	0		
Wheat cereal	28-oz. pkg.	24.3	23.5	24.1	24.1	+ 3	0	+ 3	0	2.9	2.9	3.3	3.3	+ 14	0		
Rice	1 lb.	8.2	8.8	12.2	12.2	+ 39	0	+ 39	0	2.5	3.7	5.7	5.7	+ 54	0		
Navy beans	1 lb.	6.9	7.5	8.9	8.9	+ 19	0	+ 19	0	3.5	4.1	4.4	4.5	+ 10	+ 2		
Oranges	1 doz.	31.5	29.4	36.2	36.5	+ 24	+ 1	+ 24	+ 1	9.3	8.9	12.9	10.8	+ 21	- 16		
Potatoes	1 lb.	2.5	2.8	3.9	3.9	+ 39	0	+ 39	0	1.2	1.2	1.9	2.1	+ 75	+ 11		
Apples	1 lb.	5.5	5.8	9.4	8.5	+ 47	- 10	+ 47	- 10	1.9	2.0	3.5	3.2	+ 60	- 9		
Lamb products	1 lb. prin. lamb cuts	27.2	29.5	34.6	35.3	+ 20	+ 2	+ 20	+ 2	16.2	20.5	25.9	25.5	+ 24	- 2		
Sweet potatoes	1 lb.	4.4	6.5	5.9	7.3	+ 12	+ 24	+ 12	+ 24	1.5	1.8	2.0	2.0	+ 11	0		
Rye bread	1 lb.	9.1	8.5	9.2	9.2	+ 8	0	+ 8	0	1.3	1.2	1.4	1.4	+ 17	0		
Whole wheat bread	1 lb.	9.3	9.2	10.0	9.9	+ 8	- 1	+ 8	- 1	1.3	1.3	1.5	1.5	+ 15	0		
Macaroni	1 lb.	15.0	13.8	14.2	14.1	+ 2	- 1	+ 2	- 1	2.3	2.2	2.6	2.6	+ 18	0		
Soda crackers	1 lb.	16.9	15.1	15.4	16.5	+ 9	+ 1	+ 9	+ 1	1.5	1.5	1.7	1.7	+ 13	0		
Peanut butter	1 lb.	19.3	18.0	26.0	26.0	+ 44	0	+ 44	0	6.1	7.2	9.5	9.7	+ 35	+ 2		
53 foods combined	Annual family consumption	\$ 332	\$ 348	\$ 398	\$ 401	+ 15	+ 1	+ 15	+ 1	\$ 141	\$ 170	\$ 1/204	\$ 209	+ 23	+ 2		

Retail prices are 51-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Revised.

2/ Preliminary.

3/ Less than 0.5 percent.

Table 5.- Price spreads between the farmer and the consumer - food products; margins, and farm value as percentage of retail price

Commodity	Retail Unit	Margin		Percentage : change to : : July 1942 -from:		Farm value as percentage of retail value					
		Cents	Cents	July 1941	June 1942	July 1941	June 1942	Percent	Percent	Percent	Percent
Pork products	1 lb. prin. pork products	9.6 1/2	5.6	3.9	3.1	- 45	- 21	62	78	87	89
Dairy products	100 lb. milk equiv.	178.0	1/184.0	1/204.9	2/206.5	+ 12	+ 1	45	49	48	48
Hens	1 lb.	15.2	14.9	18.8	19.0	+ 28	+ 1	52	56	52	52
Eggs	1 doz.	14.3	15.0	15.0	16.6	+ 11	+ 11	60	63	65	64
White flour	1 lb.	2.5	2.6	2.9	2.9	+ 12	0	44	43	43	43
White bread	1 lb.	6.9	6.4	7.1	7.1	+ 11	0	16	18	17	17
Corn meal	1 lb.	3.2	2.4	2.5	2.6	+ 8	+ 4	36	44	47	46
Rolled oats	1 lb.	5.5	5.3	6.0	6.3	+ 19	+ 5	26	25	30	28
Corn flakes	8-oz. pkg.	6.2	5.4	5.3	5.3	- 2	0	21	23	26	26
Wheat cereal	28-oz. pkg.	21.4	20.6	20.8	20.8	+ 1	0	12	12	14	14
Rice	1 lb.	5.7	5.1	6.5	6.5	+ 27	0	30	42	47	47
Navy beans	1 lb.	3.4	3.4	4.5	4.4	+ 29	2	51	55	49	51
Oranges	1 doz.	22.2	20.5	23.3	25.7	+ 25	+ 10	30	30	36	30
Potatoes	1 lb.	1.3 1/2	1.6	2.0	1.8	+ 12	- 10	48	43	49	54
Apples	1 lb.	3.6	3.8	5.9	5.3	+ 39	- 10	35	34	37	38
Lamb products	1 lb. prin. lamb cuts:	11.0 1/2	9.0	8.7	9.8	+ 9	+ 13	60	69	75	72
Sweet potatoes	1 lb.	2.9	4.7	3.9	5.3	+ 13	+ 36	34	28	34	27
Rye bread	1 lb.	7.8	7.3	7.8	7.8	+ 7	0	14	14	15	15
Whole wheat bread	1 lb.	8.0	7.9	8.5	8.4	+ 6	- 1	14	14	15	15
Macaroni	1 lb.	12.7	11.6	11.6	11.5	- 1	- 1	15	16	18	18
Soda crackers	1 lb.	15.4	13.6	14.7	14.8	+ 9	+ 1	9	10	10	10
Peanut butter	1 lb.	13.2	10.8	16.5	16.3	+ 51	- 1	32	40	37	37
58 foods combined	Annual family consumption	\$191	\$178	1/\$194	\$192	+ 8	- 1	42	49	51	52

1/ Revised
2/ Preliminary

Table 6.- Farm products: Indexes of prices at several levels of marketing,
1935-39 = 100

Year and month	Cost	Foods			Fibers			Whole-	Farm	
	of	Retail	Whole-	Farm	Retail	Whole-	Farm	sale	prices	Prices
	living	prices	sale	prices	prices	prices	prices	of	of	paid
	of	of	prices	of 58	of	of	of	all	all	by
	city	all	foods	foods	cloth-	textile	cotton	farm	pro-	farmers
	fa-	foods			ing	pro-	and	pro-	ducts	
	milies:					ducts	wool	ducts		
	1/	1/	2/	3/	1/	2/	4/	2/	3/	3/
1913	71	80	81	95	69	81	111	94	95	81
1914	72	82	82	97	70	77	97	94	95	80
1916	78	91	96	110	78	99	131	111	111	100
1918	108	134	151	174	128	193	281	195	190	141
1920	143	169	174	193	201	232	282	198	199	162
1929	122	132	126	138	115	127	167	138	137	123
1932	98	86	77	62	91	77	55	63	61	86
1935	98	100	106	98	97	100	109	104	102	100
1936	99	101	104	108	98	101	114	106	107	100
1937	103	105	108	113	103	107	111	114	114	105
1938	101	98	93	92	102	94	81	90	89	98
1939	99	95	89	89	100	98	85	86	88	97
1940	100	97	90	94	102	104	97	89	92	99
1941	105	105	105	116	106	119	131	108	115	105
1939 -										
Aug.		94	85	85		96	85	80	83	96
Sept.	101	98	95	95	100	101	91	90	92	98
1940 -										
Jan.		95	91	94		110	101	91	93	98
Mar.	100	96	89	91	102	104	99	89	91	99
July		97	89	91		102	96	88	89	98
1941 -										
July	105	107	107	121	105	121	141	113	118	105
Aug.	106	108	110	122	107	124	149	115	123	107
Sept.	108	111	113	128	111	126	168	120	131	109
Oct.	109	112	112	128	113	128	160	118	131	112
Nov.	110	113	113	5/ 130	114	128	154	119	127	113
Dec.	110	113	114	134	115	129	157	125	135	115
1942 -										
Jan.	112	116	119	138	116	132	164	133	140	117
Feb.	113	117	120	138	119	134	171	133	137	118
Mar.	114	119	122	5/ 139	124	136	174	135	137	5/ 121
Apr.	115	120	125	143	5/ 126	138	183	138	141	121
May	116	122	125	143	126	138	184	137	143	122
June	116	123	126	5/ 145	125	137	176	137	143	122
July	117	125	125	148	125	137	178	139	142	122

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

5/ Revised.

Table 7.- Indexes of food costs, consumer income and of charges and hourly earnings in marketing, 1935-39 = 100

Year and month	Retail :		Non :		Monthly :		Payments :		Marketing :		Hourly earnings in marketing enterprises					
	cost :		agricultural :		earnings :		to farmers :		margin :							
	of 58 :	foods :	income :	payments :	per employed :	factory :	for 58 :	foods :	of 58 :	foods :	Class I :	Food :	Food :	processing :	Cotton :	
			1/		worker 2/						steam :	4/	5/	6/	4/	
1929	125		122		118		138		115		93	-	-	-	-	
1935-39 average..	100		100		100		100		100		100	100	100	100	100	
1940.....	95		115		111		94		95		105	110	105	106	106	
1941.....	103		137		131		116		93		106	116	110	119	119	
1941 - Jan.....	96		125		120		102		92		106	113	107	108	108	
July.....	105		139		134		121		93		103	115	110	121	121	
Aug.....	105		141		135		122		92		103	115	110	124	124	
Sept.....	108		141		139		128		92		104	115	110	124	124	
Oct.....	109		144		140		128		95		103	118	111	130	130	
Nov.....	110		144		140		130	6/	95	6/	106	121	113	130	130	
Dec.....	110		150		143		134		93		119	123	114	130	130	
1942 - Jan.....	114		152		150		138		96		119	125	117	131	131	
Feb.....	115		154		149		138	6/	97	6/	122	125	119	131	131	
Mar.....	116		156		149		139	6/	98	6/	119	126	118	132	132	
Apr.....	116		158		153		143		97		118	128	119	132	132	
May.....	118		160		156	6/	143		99		118	129	120	136	136	
June.....	120		163		158	6/	145		102		117	130	120	136	136	
July.....	121		165	7/	159	7/	148		101							

1/United States Department of Commerce estimates. Adjusted for seasonal variation. New series.

2/Prepared in the Bureau of Agricultural Economics from data of the U. S. Bureau of Labor Statistics, adjusted for seasonal variation. 3/Compiled from data published by the Interstate Commerce Commission.

4/United States Bureau of Labor Statistics. 5/Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing. 6/Revised. 7/Preliminary estimates.

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